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May 23, 1950

Discussion by the National Security Council of Major  
Policy Issues Relating to FY 1960 Budget Programs

1. In past years attempts have been made, through differing procedures, to provide national security policy guidance for use in the preparation of the Federal Budget.

2. Relative to the development of the FY 1960 Budget, I have been discussing with the Director of the Budget a possible new procedure under which the National Security Council could be of assistance to the President in reaching decisions on that budget. This new procedure envisages discussions by the Council of important issues arising during the period of the Budget development. Such discussions would consider all alternative solutions to these issues but would not be conducted with a view to arriving at firm decisions.

3. Suggested criteria for this new procedure would be as follows:

a. Council discussions should not derogate in any way from the established responsibilities of the Bureau of the Budget or of the responsible agencies.

b. The Council discussions should not attempt to arrive at policy recommendations.

c. The Council discussions should not single out programs or parts of programs for special consideration without relation to other programs or the total budget.

d. The Council discussions should be limited to the three major national security programs -- military, atomic energy and mutual security.

e. Each Council discussion should be based upon a carefully written statement of the issue to be discussed consisting of following elements:

(1) A brief factual statement of the issue.

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(2) A brief statement of major alternative approaches to its solution. (In some instances these might be stated in terms of the relative emphasis to be placed upon different programs.) ✓

(3) A brief listing of the pros and cons of the alternatives.

f. Each discussion paper should be limited to five double-spaced pages.

g. Possibly between four and six discussion papers might be developed during this one budgetary period.

h. The Bureau of the Budget, working with the interested agencies, should select the issues for discussion and prepare the first draft of a (1) and (2) for submission to the Planning Board. The Planning Board will revise the initial draft and add thereto in certain cases the listing of pros and cons referred to in a (3). The resulting discussion paper will be circulated in advance of the Council meeting.

R.C.

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